

Reporting Guidance Note - GRF 460.0 and GRF 460.1

Purpose

This Reporting Guidance Note provides an overview of common errors made by regulated institutions in completing *Reporting Form GRF 460.0 Reinsurance Assets by Counterparty* (GRF 460.0) and *Reporting Form GRF 460.1 Exposure Analysis by Reinsurance Counterparty* (GRF 460.1).¹ The note also outlines how APRA expects to see the information reported in GRF 460.0 and GRF 460.1. Further, APRA requests that regulated institutions ensure that submissions, already made or to be made in the future, are free of these errors.

Overview

APRA finalised its proposals to implement a reinsurance counterparty data collection in December 2013, which included two new annual reporting forms for general insurers and Level 2 insurance groups. The first reporting period for the submission of GRF 460.0 and GRF 460.1 was for regulated institutions with a financial year-end of 31 December 2013.

APRA has now completed a data quality exercise on the first submissions of GRF 460.0 and GRF 460.1. To ensure consistency and accuracy of reporting going forward, APRA has highlighted key reporting inconsistencies and errors made in the submitted data. APRA has identified the most common errors which include:

- inconsistencies when using the naming protocol provided in the [Reinsurer Identifier List](#) ('the list');
- reporting of 'unassigned' reinsurance counterparties;
- misreporting of reinsurer identifiers;
- misreporting of Lloyd's syndicates; and
- incomplete reinsurance counterparty details.

APRA has provided examples of what is acceptable and unacceptable in relation to the errors identified above.

Please note that the text highlighted in red indicates the error and the 'Note' column provides a description of the error.

¹ A reference to GRF 460.0 or GRF 460.1 throughout this note should be taken to also mean a reference to the equivalent reporting forms for Level 2 insurance groups.

Common errors

Regulated institutions must ensure that when completing details specific to a reinsurance counterparty (i.e. Name of counterparty (reinsurer), Reinsurer identifier, Counterparty group name, Counterparty domicile and Group domicile) that these details exactly match the details provided in the list. This is to ensure the data can be used effectively for internal APRA reporting to understand industry counterparty exposures.

The following examples show common errors made by regulated institutions.

Example 1 - Formatting errors

No	Name of Counterparty (Reinsurer)	Reinsurer identifier	Counterparty group name	Counterparty domicile	Group domicile	Note
1	Mapfre Re Compania de Reaseguros SA	MAP002	MAPFRE	United Kingdom	Spain	No errors. The data provided matches the data provided in the list.
2	Mapfre Re Compania de Reaseguros SA	MAPoo2	MAPFRE	United Kingdom	Spain	Reinsurer identifier provided is not correct. (Letter 'o' used instead of number '0').
3	Mapfre re Compania de reaseguros sa	MAP002	MAPFRE	United Kingdom	Spain	The counterparty name is not correct due to incorrect capitalisation used.
4	Mapfre Re Compania de Reaseguros SA	MAP002	mapfre	United Kingdom	Spain	Counterparty group name is not correct. Lower case used instead of upper case.
5	Mapfre Re Compania de Reaseguros SA	MAP002	MAPFRE	U.K.	Spain	Counterparty domicile is not correct due to abbreviation of domicile name.
6	Mapfre Re Compania de Reaseguros SA	MAP002	MAPFRE	United Kingdom	spain	Group domicile is not correct due to incorrect capitalisation.
7	Mapfre Re Compania de Reaseguros SA	(Blank)	MAPFRE	United Kingdom	Spain	Even though all other details reported match with the information provided in the list - this will not be acceptable as the reinsurer identifier is not provided.
8	Mapfre Re Compania de Reaseguros SA	MAP002	MAPFRE	United Kingdom	Spain	Counterparty domicile is not correct due to the extra space between United and Kingdom

Where a reinsurance counterparty has merged, been sold or transferred its liabilities to another reinsurance counterparty, the counterparty details used must reflect the current legal entity.

Example 2 - Where a regulated institution has used its own reinsurer identifier (e.g. old name vs new name)

No	Name of Counterparty (Reinsurer)	Reinsurer identifier	Counterparty group name	Counterparty domicile	Group domicile	Note
1	New and correct reinsurance counterparty name	Unassigned	NEW Ltd	New counterparty domicile	New group domicile	No errors. In the instance where an old reinsurance counterparty has merged, been sold or transferred its liabilities to another reinsurance counterparty, regulated institutions are required to provide the details of the current reinsurance counterparty.
2	Old merged reinsurance counterparty name	Unassigned	OLD Ltd	Old counterparty domicile	Old group domicile	Where an old reinsurance counterparty has merged, been sold or transferred its liabilities to another reinsurance counterparty, the counterparty details used should reflect the current reinsurance counterparty.

Unassigned Reinsurance Counterparties

It is important that the correct reinsurer identifier associated with the reinsurance counterparty is used on GRF 460.0 and GRF 460.1. If the reinsurance counterparty that is required to be included on GRF 460.0 and GRF 460.1 is not found on the list, then these reinsurance counterparties are to be reported with the reinsurer identifier 'Unassigned'.

Regardless of whether or not the reinsurance counterparty is on the list, the regulated institution must complete all the counterparty specific columns on GRF 460.0 and GRF 460.1. This includes identifying the counterparty group name and the counterparty group domicile. This information will assist APRA to determine if the reinsurance counterparty is to be included on the list in future releases.

Regulated institutions are requested not to create their own reinsurer identifiers or use references from their own databases.

The following examples show common errors that regulated institutions have made when 'Unassigned' is reported.

Example 3 - Common errors made when a regulated institution uses "Unassigned" as the reinsurer identifier

No	Name of Counterparty (Reinsurer)	Reinsurer identifier	Counterparty group name	Counterparty domicile	Group domicile	Note
1	GRF Insurance Limited	Unassigned	GRFIL	United Kingdom	United Kingdom	No error. In the instance where a reinsurance counterparty is not on the list, the regulated institution is required to complete all the details of the reinsurance counterparty and use 'Unassigned' as the reinsurer identifier.
2	GRF Insurance Limited	GR9999	GRFIL	United Kingdom	United Kingdom	Reinsurer identifier provided is incorrect. Regulated institutions are requested not to create their own reinsurer identifier.
3	GRF Insurance Limited	(Blank)	GRFIL	United Kingdom	United Kingdom	Even though all other details are reported - this will not be acceptable as the reinsurer identifier is not provided.
4	GRF Insurance Limited	Unassigned	(Blank)	United Kingdom	(Blank)	The correct reinsurer identifier is provided. However, other details have not been provided or are incorrect. This will not be acceptable.

Lloyd's of London Syndicates

Reinsurance counterparties that are Lloyd's syndicates are not individually identified on the list. However, they must be individually disclosed on GRF 460.0 and GRF 460.1. In reporting Lloyd's syndicates, regulated institutions are to follow the format outlined in the list.

The following example shows common errors that regulated institutions have made when reporting Lloyd's syndicates.

Example 4 - Common errors made by regulated institutions when reporting Lloyd's syndicates

No	Name of Counterparty (Reinsurer)	Reinsurer identifier	Counterparty group name	Counterparty domicile	Group domicile	Note
1	Lloyds 0123	LLO0123	LLOYDS	United Kingdom	United Kingdom	No errors. The data provided matches with the data format provided in the list.
2	Lloyds 0123	LL 0123	LLOYDS	United Kingdom	United Kingdom	Reinsurer identifier used is not correct. The reinsurer identifier format to be used for Lloyd's syndicates is 'LLOXXXX' (Letters 'LLO' followed by the syndicate number expressed as 4 digits).
3	Lloyds Syndicate 123	LLO0123	LLOYDS	United Kingdom	United Kingdom	Reinsurance counterparty name used is not correct. Please note that the name of the counterparty used for Lloyd's syndicates is always 'Lloyds XXXX' ('Lloyds' followed by a space followed by the syndicate number expressed as 4 digits).
4	Lloyds 0123	LLO0123	Lloyds Syndicate	United Kingdom	United Kingdom	Counterparty group name used is not correct. Please note for Lloyd's syndicates the counterparty group name is always 'LLOYDS'.
5	Lloyds 0123	LLO0123	LLOYDS	London	United Kingdom	Counterparty domicile used is not correct. Please note that for Lloyd's syndicates the counterparty domicile and group domicile is 'United Kingdom'.
6	Lloyds 0123	LLO0123	LLOYDS	United Kingdom	United Kingdom	Reinsurance counterparty name used is not correct due to the extra space after Lloyds.